



Filing your income taxes shouldn't require a degree in economics, but as state and federal tax code grows more complicated, it is easy to overlook valuable tax deductions and credits for which you or your family might be eligible. Use this postcard to learn more about some of the more common tax breaks that are available through both the state and federal governments.

Family deductions

Each taxpayer is eligible for an exemption for himself, his spouse and each dependent claimed on both the federal and state tax returns. Dependent children may also qualify for a Child Tax Credit on federal income tax returns.

Deductions are also available through the federal government for expenses incurred for daycare costs throughout the year and higher education fees, including interest paid on student loans.

Senior deductions

Senior citizens are eligible for the same individual deductions as other taxpayers, and also receive additional deductions for being over 65 years of age. Deductions may also be applied for military income or retirement benefits, individuals who are blind and/or disabled and veterans in various categories. There is also a Unified Tax Credit for the Elderly for individuals with an adjusted gross income of less than \$10,000.

Property Deductions

Deductions are available for many of the costs associated with home ownership. For example, property taxes that you pay on your principal place of residence can be deducted up to \$2500, and interest that you pay on your home mortgage can be deducted as well.

Renters deductions

Individuals who rent homes or apartments as their primary residence may deduct up to \$2500 on their state income tax returns.

The Earned Income Tax Credit

If in 2003 you worked and earned less than \$34,600, you may be eligible for a tax break of up to \$4,000 through the Earned Income Tax Credit (EITC). The average Indiana family received more than \$1,600 in 2001 from the EITC.

The EITC is for moderate and low income working families and can provide a substantial tax credit based on income and family size.

Indiana is one of 17 states that has a state version of the EITC in addition to the federal EITC, so when you file your taxes, be sure to claim it if you are eligible on both forms.

Many individuals do not claim the EITC because they haven't heard about it or do not know how to apply. To learn more, contact:

The IRS: **800-829-1040**

www.irs.gov

Indiana taxpayer services:

317-232-2240

www.in.gov/fssa/eitc

Tax assistance is available

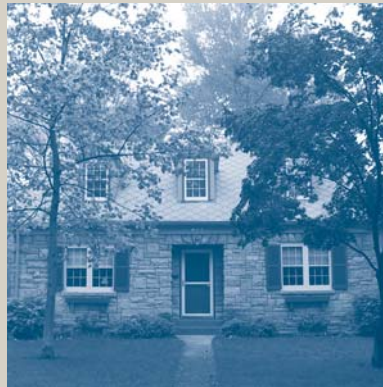
The Internal Revenue Service (IRS), in conjunction with the American Association of Retired Persons (AARP), offers tax preparation assistance free of charge to senior citizens and families with incomes less than \$35,000. Tax-Aide sites are located at various locations throughout Indiana and in most cases, no appointment is needed. Local help sites include offices in **Corydon (812)364-6559, Salem (812)883-2057 and New Albany (812)941-1461**. Call the centers directly for directions to the offices and hours of operation.



Rep. Paul Robertson



You may be
eligible for
tax credits
and
deductions



Representative Paul Robertson

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